

Grand Canyon National Park

Request for Qualifications

(Phase I Prospectus)

Grand Canyon Bus and Light Rail Transit System

Introduction: Continuing growth of automobile and bus traffic at Grand Canyon National Park (the park) has created a need for alternative transportation. Road and parking infrastructure on the canyon's South Rim was built in the 1950's and 1960's when the number and size of visitors' vehicles were much smaller than they are today. To improve the quality of the experience available to all visitors to the Grand Canyon, and rather than either expanding roads and parking or placing restrictions on the number of visitors permitted, the National Park Service (NPS) will implement its 1995 General Management Plan (GMP). A significant part of this plan includes a multi-modal transit system for Grand Canyon Village.

Grand Canyon's GMP and the accompanying Environmental Impact Statement (EIS) was completed in 1995 when a Record of Decision was announced and the plan was adopted. A more specific Environmental Assessment was prepared in 1997 covering the transit system components inside the park. A Finding of No Significant Impact was made in November of 1997. The documents referred to here may be viewed on-line at <<http://www.nps.gov/grca/transit/>>. Since 1994, the US Forest Service has been leading the preparation of an EIS that includes the transit system components outside the park (on National Forest lands). A Record of Decision was announced this month

The system will include a light rail component using self-propelled vehicles and a bus component operating a variety of low- and zero-emission vehicles. A concession contract for a term of up to twenty years is intended to be awarded by the NPS for the financing, design, construction, supply, operation, and maintenance of the system. A concession contract is an authorization from the NPS that allows a business entity to provide specified visitor facilities and services in a national park. A concessioner is not paid by the government. A concessioner's revenue comes from fees the concessioner charges visitors for its services. Fees charged by concessioners are subject to NPS approval and may be adjusted during the contract term. More detail on concession contracts can be found below.

This Request for Qualifications (RFQ) (Phase I Prospectus) is the qualifications phase of the prospectus process for the proposed concession contract. Only applicants that are selected under this Phase I Prospectus will be permitted to make offers in response to a Request for Proposals (RFP), the Phase II Prospectus for the concession contract. NPS is seeking to identify through this

RFQ potential offerors who command the necessary experience, development, and operating and capital resources sufficient to carry out this business opportunity.

Those who do not submit an application in response to this RFQ or who are not determined as qualified if an application is submitted will not be eligible to submit an offer for the concession contract in response to the RFP (Phase II Prospectus).

On November 13, 1998, Congress passed legislation that amended the manner in which NPS is required to solicit for proposals for concession contracts. The NPS is in the process of developing new concession contracting regulations under the authority of the new law, P.L. 105 – 391.

Generally, NPS does not intend to issue prospectuses for new concession contracts until such time as the new regulations are finalized. However, in the instance of this project, NPS has determined that special circumstances warrant the issuance of this RFQ (Phase I Prospectus) in advance of the issuance of final regulations. This action is based on the need to proceed with the implementation of the transportation project as soon as possible in the interests of the resources of and visitors to Grand Canyon National Park. Although this Phase I Prospectus is issued in advance of regulations, the NPS will comply with all applicable requirements of P.L. 105 – 391. The new legislation can be found on-line at < <http://www.nps.gov/legal>>.

Transportation System Description

Overall System Description: The following services are intended to be provided at the South Rim of the Grand Canyon through a concession contract. This scope of activities is preliminary only and is subject to material change in the RFP (Phase II Prospectus):

Design, build, operate, and maintain light rail transit from near Tusayan, Arizona, to points within Grand Canyon Village.

Operate transit bus service on several routes between Hermits Rest and Desert View on the Grand Canyon South Rim. Maintain existing natural gas and electric buses, and provide any new or additional natural gas and electric buses for transit bus service.

Operate interpretive bus tours along the Grand Canyon's South Rim. Provide and maintain natural gas and electric buses for tour bus operations.

Light Rail System Description:

Service - The light-rail service will transport visitors between the Grand Canyon Transit Center near the community of Tusayan, Arizona, and two locations within the park: Canyon View Information Plaza near Mather Point, and the Village Transit Center near Maswik Lodge.

Track - The light rail system will require approximately 9 miles of new double-lane track, entirely on federal land, solely dedicated to the Grand Canyon service.

Crossings – There are five bridges proposed (3-road over rail, 1-rail over road, and 1-road over road). The design and construction of all five will be required of the Concessioner. There are three at-grade crossings proposed – in all cases automobile traffic on the crossing roads is extremely light.

Cars - It is estimated that the initial light rail fleet will require 18 self-propelled, double-ended, 175-passenger (crush load) vehicles, including spares.

Cost Estimate - Capital cost estimates for the entire light rail system, including facilities, are within the following range: \$125 to \$160 million.

Alternatives to Light Rail and Self-propelled Cars: In addition to, or as an alternative to, submitting the required application in response to this RFQ, applicants may submit a description of an alternative means to achieve the purposes of the light rail and self propelled car system described above. Such an alternative must be accompanied by detailed analysis that demonstrates that the alternative system offers significant benefits to NPS while satisfying the passenger transportation needs of the park. Significant benefits may include enhanced passenger service, reduced capital requirements and/or operating costs, reduced environmental impact, shorter implementation period, and reduced staffing requirements. An alternative proposal must also demonstrate that the alternative system has been successfully implemented and has provided safe and reliable passenger services in other, similar applications. Upon consideration of a proposed alternative, NPS may, in its discretion, choose to cancel this solicitation and issue a new prospectus incorporating the proposed alternative. Prospective applicants under this RFQ, however, should be aware that they must submit the information required by this RFQ (Phase I Prospectus) if they wish to be considered qualified to submit a proposal in response to the RFP (Phase II Prospectus) for the light rail system described above. Bidders that only submit an alternative proposed transportation system will not be eligible to be considered as qualified to submit an offer in response to the Phase II Prospectus if one is issued.

Transit and Tour Bus System Description:

Transit Service - The transit bus service will operate within the park on several fixed routes, year-round. The NPS will make the existing Grand Canyon transit vehicles (three 28-passenger battery-electric buses, seven 35-passenger Chance power units re-powered with LNG engines with ten trailers, and at least five 38-passenger New Flyer CNG buses) available to the Concessioner. The Concessioner shall supplement the existing NPS transit bus fleet with any additional natural gas and electric powered buses necessary to provide the required service. An estimated thirty-five additional buses will be required.

Tour Service - The tour bus service will provide exclusive guided tours within the park for a separate fee to be approved by the NPS. It is estimated that the tour bus fleet will require up to twenty 40' buses. These buses will also be of low-floor design, fueled by natural gas and/or electricity, and be designed to minimize noise and exhaust emissions.

Cost Estimate - Capital cost estimates for the entire bus transit and tour bus system, including facilities, range from \$20 to \$35 million.

Buildings and Facilities Description:

Loading Platforms - The Concessioner shall construct light rail loading and unloading platforms in three locations including the Grand Canyon Transit Center at Tusayan, Canyon View Information Plaza at Mather Point, and Village Transit Center at Maswik Lodge. Each station will consist of multiple platforms used for loading and unloading passengers on the light rail vehicles. The loading platforms will be under roof.

Transit Stations - Additionally, the Concessioner shall design and construct more extensive station facilities at Grand Canyon Transit Center (including a large parking lot and visitor service facility) and Village Transit Center (rehabilitation of existing and addition of new visitor facilities). The NPS will retain design control of these station facilities.

Ticketing – Two fees will be charged to Grand Canyon South Rim visitors on a per person basis as they arrive at the park – a park entrance fee (revenue to the NPS) and a transit fee (the Concessioner’s charge for the transportation services). The two fees will be combined so visitors pay only once for a single ticket. It is the intent of the NPS that this combined fee be as low as reasonably possible. In the RFP (Phase II Prospectus), short-listed applicants will be required to provide a proposed transit fee schedule for the entire contract term, based on visitation projections provided by the NPS.

Maintenance Facilities - The Concessioner shall design and construct maintenance facilities for the light rail and bus fleets, which share as many components as possible.

Miscellaneous – Bus stops, access control gates and other miscellaneous structures/facilities will also be required in the concession contract.

Employee Housing – Grand Canyon National Park is located in a remote area. There is no free-market housing available, with minor exceptions, within 80 miles. Employers generally construct employee housing and rent it to their employees in the Grand Canyon/Tusayan area. The Concessioner will not be permitted to construct employee housing inside the park or on National Forest lands.

Revenue Description: In 1998, the NPS estimates that approximately 3,500,000 people would have been eligible for the transit fee.(1) A monthly breakdown of 1998 visitation to the park (including North Rim visits) showing typical seasonal patterns is shown below. Further statistical analysis will be presented in the RFP. In the RFP (Phase II Prospectus), short-listed applicants will be required to

1 1998 South Rim recreational visits less an estimated 8% for children 5 and under

provide financial contingency plans for unexpectedly large down-turns in annual visitation.

<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
149,262	168,103	271,918	437,878	478,813	610,071	667,735	658,041	474,582	432,003	228,153	161,507

Concession Contract Process and Schedule

Selection Process: The transit system Concessioner will be selected by the NPS through a two-step process. This RFQ (Phase I Prospectus) is the first step. Applications submitted in response to this RFQ will be evaluated by the NPS under the criteria set forth below, resulting in a short list of qualified applicants. The “short-listed” applicants will be invited to review a DRAFT RFP (Phase II Prospectus), and submit comments. Upon release of the FINAL RFP (Phase II Prospectus), short-listed applicants will be invited to submit proposals in response to the RFP. The NPS will evaluate these proposals and negotiate a concession contract with the offeror submitting the best proposal under the terms of the RFP.

The following is a list of significant events in the selection process and an estimated schedule of these events:

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| 1. | Issue Phase I Prospectus (RFQ) | August 20, 1999 |
| 2. | On-site Informational Meeting
Site tour for the purposes of introducing the project to interested persons. | September 27, 1999 |
| 3. | Submittal of applications in response to the Phase I Prospectus. | November 19, 1999 |
| 4. | Announcement of short-listed applicants. | December 17, 1999 |
| 5. | Issue Draft RFP (Phase II Prospectus) for review by short-listed applicants.
(Review by short-listed applicants is for the purpose of receiving input from the transit industry to improve the eventual concession opportunity to be contracted. Comments ranging from minor suggestions to value engineering proposals will be considered.) | January 5, 2000 |
| 6. | Submittal of Comments by short-listed applicants. | February 12, 2000 |
| 7. | Issue Final RFP (Phase II Prospectus) | March 4, 2000 |
| 8. | Submittal of offers by short-listed applicants. | May 13, 2000 |
| 9. | Selection of Concessioner | June 3, 2000 |
| 10. | Begin 60 day Congressional Review of Contract | June 10, 2000 |
| 11. | Execute Contract | August 13, 2000 |
| 12. | Implementation of light rail service | February 1, 2003 |

Concession Contracts: The NPS has the authority to offer business opportunities to private entities when the associated visitor facilities and services are considered necessary and appropriate for park visitors. Such business opportunities are offered in the form of a concession contract. Below are listed a few features which will be common to all new concession contracts:

Contract term can be no longer than 20 years.

Fees for services paid by the public are retained by the Concessioner but rates to the public are approved by the NPS in advance.

The Concessioner will obtain “leasehold surrender interest” in qualified capital improvements made on park lands and at the end of the contract the “leasehold surrender interest” will have a recognized value.

At the end of the contract, there is no preferential right of contract renewal – if the service is still considered necessary and appropriate by the NPS, the business opportunity will be offered again. The incumbent Concessioner, if interested, will compete equally with other offerors. If unsuccessful, the incumbent Concessioner will be paid for his/her leasehold surrender interest by the successful offeror. If the service is discontinued or there are no offerors the federal government will pay the incumbent Concessioner for the leasehold surrender interest.

As discussed above, new regulations are now being drafted within the framework of the newly passed legislation. The draft regulations were released for public review on June 30, 1999. Comments will be accepted for 60 days from that date before the regulations are finalized for adoption.

Financing: With certain exceptions specified below, the capital costs for this project are to be borne entirely by the Concessioner. No federally appropriated funds are anticipated to assist in the concessioner’s financial responsibilities for development of this project or operation of the transit system.

NPS will fund certain portions of the overall project with its funds. The following is a list of items being supplied/built by the NPS :

Canyon View Information Plaza (station near Mather Point) is under construction and will be completed by the NPS. Loading platforms are not part of the current NPS project.

A natural gas fueling facility will be constructed by the NPS and made available to the Concessioner to fuel natural gas buses.

The existing NPS-owned shuttle bus fleet will be made available to the Concessioner. Replacement of the fleet will be the responsibility of the Concessioner.

Since this project is expected to be; 1) privately financed and over \$100 million in value, 2) supported by user fees, and 3) of national significance, the NPS and the State of Arizona believe the Concessioner may be eligible for credit assistance through the Transportation Infrastructure Finance

and Innovation Act (TIFIA), a new program in last year's Transportation Equity Act for the 21st Century (TEA-21). The TIFIA program, if applicable, can provide direct loans, loan guarantees, and lines of credit for up to one-third of project costs.

RFQ (Phase I Prospectus) Application Requirements

Overview: The purpose of the Phase I application is to enable the NPS to identify a short list of applicants that are interested in entering into a concession contract and that appear to have the technical, financial, and management qualifications to successfully finance, build, and operate the transit system.

A demonstration of qualifications is required by section 403(4)(b) of P.L. 105 – 391, which prohibits NPS from entering into a concession contract, if, among other matters, NPS determines that the offeror is not qualified. Additional selection requirements of P.L. 105 – 391 will be addressed in the Phase II Prospectus. The RFP (Phase II Prospectus) will also require that offerors demonstrate in more detail their qualifications to undertake the requirements of the concession contract. Accordingly, it is possible that an applicant who is determined as qualified under this RFQ may not be determined as qualified under the RFP. A determination of qualifications under this RFQ is preliminary only.

Only information submitted in response to this RFQ (Phase I Prospectus) will be used by NPS in evaluating applicants. Applicants must assure that their submittal contains all requested information. Applicants will not be allowed to amend or supplement their submission proposals after the submission date.

NPS reserves the right to cancel this solicitation at any time without liability to any person.

Confidentiality of Applications: All applications (or other information or materials) submitted in response to this RFQ are subject to public disclosure by NPS pursuant to the requirements of the Freedom of Information Act. If an applicant considers that any materials submitted contain trade secrets, confidential commercial information, or confidential financial information exempt from public disclosure under the Freedom of Information Act, the cover page of the application or other submission must be marked with the following legend:

“The information specifically identified on pages ____ of this submission constitutes trade secrets or confidential commercial or financial information that is considered to be exempt from disclosure under the Freedom of Information Act. The submitter requests that this information not be publicly disclosed except as may be required by law.”

The same legend shall be included on each page of a submission that the submitter considers contains trade secrets or confidential commercial or financial information.

Criteria for Selection

Criterion 1: The Applicant demonstrates to the reasonable satisfaction of NPS for the purposes of this Phase I Prospectus that it has substantial competence in developing and operating transportation systems similar in kind and scope to the Grand Canyon transportation system proposal.

Required Information:

A description of the applicant's team (partnerships, joint venture, etc. are acceptable [JV, prime/sub, etc.]) and areas of responsibility of team members [firms] during 1) construction and 2) Operation & Maintenance.

A description of the experience of team members with similar rail and bus capital programs.

A description of the experience of team members with similar O&M programs.

Criterion 2: The Applicant demonstrates to the reasonable satisfaction of NPS for the purposes of this Phase I Prospectus that the applicant has the ability to obtain the estimated funds necessary to implement the Grand Canyon transportation system. The NPS estimate for this purpose is \$200 million.

Required Information:

A description of the applicant's financing plan.

A description of the potential sources of the applicant's funds.

Documentation that demonstrates that the applicant is likely to be able to obtain the funds necessary to achieve the applicant's financing plan.

An original and 5 copies of the Qualification Submittal must be delivered to:

National Park Service
823 N. San Francisco Street, Suite A
Flagstaff, Arizona 86001-3234

Submittals must be received no later than 4:00 p.m. on **November 19, 1999**. Late submittals will not be accepted.

90 days is considered sufficient time to prepare and make an application under this RFQ as the information required to be submitted information is limited to management and financial qualifications. However, NPS reserves the right to extend the deadline for submission of applications.

Questions regarding this RFQ must be submitted in writing to Superintendent, Grand Canyon

National Park and sent to the address listed above for submittal of the Qualifications. No person may rely on any oral information from any person regarding this RFQ or this project. Any additional information made available to any potential applicant will be made available in writing to all persons who request a copy of this RFQ.

This RFQ is issued pursuant to the authority granted the Secretary of the Interior under P.L. 105-391. This solicitation for applicants for an NPS concession contract is a not a federal procurement action and is not subject to federal procurement laws and regulations.